

A Regular Meeting of the City Council of the City of Hickory was held in the Council Chamber of the Municipal Building on Tuesday, February 1, 2022, at 7:00 p.m., with the following members present:

Tony Wood	Hank Guess	David L. Williams
Charlotte C. Williams	Aldermen	David P. Zagaroli
Danny Seaver		Jill Patton

A quorum was present.

Also present were City Manager Warren Wood, Deputy City Manager Rodney Miller, Assistant City Manager Rick Beasley, Deputy City Attorney Arnita Dula, Deputy City Clerk Crystal B. Mundy and City Clerk Debbie D. Miller

- I. Mayor Guess called the meeting to order. All Council members were present with the arrival of Alderman Williams at 7:04 p.m.
- II. Invocation by Christy Lohr-Sapp, St. Andrews Lutheran Church
- III. Pledge of Allegiance
- IV. Special Presentations
  - A. Presentation of an Award Certificate from the Western Piedmont Council of Governments related to the Project “A Study of Equity, Economic, and Demographic Data for the City of Hickory” and an Update on Ridgeview Works – Presented by Western Piedmont Council of Governments Executive Director Anthony Starr.

Mayor Guess asked Western Piedmont Council of Governments Executive Director Anthony Starr to the podium. He commented it was a pleasure to have him present and they appreciated him and all that he does at the Western Piedmont Council of Governments, for not only the City of Hickory, but for all of the surrounding municipalities

Western Piedmont Council of Governments Executive Director Anthony Starr advised the City was a fantastic partner with the Council of Governments (COG). For those that were not familiar with them, they were an organization owned by the 28 local governments in the Hickory Metro and they serve as a mechanism to share resources and expertise. Back in 2020, the City asked the Council of Governments to assist it with a study to look at the equity, economic, and demographic data to better understand racial inequalities in the City. They looked at demographics, income, poverty data, educational attainment, healthcare, employment data, housing, educational achievement, and minority owned businesses among other factors. It was a successful project that the City had used to facilitate a lot of conversations that needed to occur. They submitted this project for consideration by the National Association of Development Organizations, which was the umbrella association for COGs across the Country. They had given an award to the Council of Governments and the City of Hickory for the partnership in this endeavor. He shared the presentation and award with Council and thanked the City of Hickory for its partnership in this project. He asked Mayor Guess to the podium and presented him with the award.

Mayor Guess gave the award to City Manager Warren Wood and asked for it to be displayed in City Hall.

Mr. Starr continued his presentation. He presented a PowerPoint presentation. He discussed an endeavor that was born out of that study and the conversations that occurred regarding career services at the Ridgeview Library. Back in February of 2021, the City of Hickory and the Workforce Development Board staff at the Council of Governments worked together to form a committee to look at what was needed in terms of career services for the Ridgeview community. There were several opportunities that were identified including afternoon and evening hours for services, focused broadcasting and advertising of job openings and career pathways, scholarships that the NC Work system provides, youth paid internships and training, also workshops helping people with getting jobs, getting their resume, expungements occurring when that was needed if that was a barrier to employment, as well as personal budgeting and financial advice as well. And then job fairs. They were able to launch, in partnership with the City, at the Ridgeview Library, Ridgeview Works, which began January 5<sup>th</sup>. They were there every Wednesday, on a trial basis, holding office hours there from 1 to 5 p.m. They also have an event and job fair with a number of employers that would be there on February 8<sup>th</sup> from 2 to 5 p.m., so they were doing the outreach now. There was a good article in the paper about that just to connect people with opportunities for improving their lives and gaining better employment or their first job or the next job that they need in their lives. The Ridgeview Library with its expanded facility was a perfect facility to house these services. They were glad to partner with the City of Hickory on that. That was where they were standing with that project and they would hopefully have good news in the coming months on the utilization, but they were very early in the process of launching that information, getting outreach, and that was what they were focusing on right now with the community. He asked for any questions.

Mayor Guess asked for any questions from staff or Council.

Alderwoman Patton thanked Mr. Starr for the good work that they had done and then taking the results of the study and finding a solution that would work. It would be nice to hear, in several months, what comes out of it.

Mr. Starr thanked Council for their leadership on this and especially to the City's staff, as always, the leadership there and the rest of the staff were great to work with and great collaborators. He commented Council had a fine team there. He thanked Council.

Mayor Guess commented they could say the same thing about the Western Piedmont Council of Governments and the staff there. They had been tremendous partners, and it was a great relationship. They serve not only the City of Hickory, but other municipalities and this task that they gave to them would certainly have benefits for a long time to come. They greatly appreciated all the hard work that he and his staff had done and continued to do.

Councilmembers thanked Mr. Starr.

- B. Presentation of a Proclamation for SkillsUSA Week to Dr. Garrett Hinshaw, CVCC President; Tammy Muller, CVCC Executive Director of Strategic Business Partnerships & Skills USA and Gary Muller, CVCC Executive Dean of Economic Development and Continuing Education.

Mayor Guess asked Tammy Muller and Gary Muller from CVCC to the podium. Mayor Guess commented CVCC was heavily involved with SkillsUSA. The Proclamation actually told them a lot about SkillsUSA. He thought that it was interesting to say that CVCC's Chapter won 20 first place gold medals at the 2021 State competitions, which was more medals than any other school won. They also won six silver which was second place and four bronze which was third place. They also won their fifth Chapter of Excellence Award in a row, which was more than any other Chapter in the Country had done as well. It was only appropriate, he thought, that this Proclamation designating SkillsUSA, as this week, go to the folks and the staff at CVCC. He read and presented the Proclamation to the staff from CVCC. Photos were taken. He asked them if they would like to make any comments. He expressed Council's appreciation for what they were doing not only for City of Hickory's community but for the surrounding communities in the surrounding counties. He thanked them for all they do.

Mr. Gary Muller thanked Council for this honor, and the support. They appreciated it. This was great reinforcement for their students, and Faculty Advisors for all the work they are doing, and they were proud to have the best Chapter in the Country for the last five years out of 19,000 Chapters.

Ms. Tammy Muller commented it was a true demonstration of the work that was being done at CVCC to prepare tomorrow's workforce. They were truly proud. She thanked Council.

Mr. Gary Muller was glad to be present for Dr. Hinshaw, unfortunately he could not be present.

Mayor Guess understood. He asked them to let Dr. Hinshaw and all the other staff and students know how much they appreciated all that was being done at CVCC, that was just another tremendous partnership and relationship that the community has with other educational institutions.

- C. Presentation of the Distinguished Budget Award for the Fiscal Year Beginning July 1, 2021. This is the twenty-seventh consecutive year the City has received this recognition – Presented to Budget Analyst Johnathan Rosales.

Mayor Guess asked Budget Analyst Johnathan Rosales to the podium. Mayor Guess advised the Finance Department, all of the City's departments, do very, very good work, hard work and they appreciated all of the City departments, but tonight he had a Distinguished Budget Award for the year beginning July 1, 2021. They could not do that without the help of the Budget department. The guidelines that were established by the Government Finance Officers Association, state that they have to prepare budget documents of the very highest quality with special recognition for transparency. He was very honored that the City of Hickory had received this award once again. He read and presented Mr. Rosales with the Distinguished Budget Award for the fiscal year beginning July 1, 2021.

RESOLUTION NO. 22-04

RESOLUTION OF THE HICKORY CITY COUNCIL  
HONORING THE HICKORY BUDGET OFFICE STAFF  
UPON RECEIPT OF THE  
DISTINGUISHED BUDGET PRESENTATION AWARD

FOR THE FISCAL YEAR BEGINNING JULY 1, 2021

WHEREAS, the Government Finance Officers Association of the United States and Canada has bestowed upon the City of Hickory's Budget Office the Distinguished Budget Presentation Award for the twenty-seventh consecutive year; and

WHEREAS, this award is the highest form of recognition in governmental budgeting, representing a significant achievement by the City of Hickory, and reflecting the commitment of the City Council and Staff to meeting the highest principles of governmental budgeting; and

WHEREAS, in order to receive this budget award, the City of Hickory Budget Office satisfied nationally recognized guidelines for effective budget presentation that are designed to assess how well a City's budget serves as a policy document, a financial plan, an operations guide, and a communications device.

NOW, THEREFORE, BE IT RESOLVED THAT the Hickory City Council hereby recognizes and honors the Budget Office Staff upon receipt of the DISTINGUISHED BUDGET PRESENTATION AWARD and its continuing efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America.

Mayor Guess added to that there were 90,000 local governments in the US and 1,700 out of those 90,000 have received this award. It was quite a distinguished award. He presented the award to Mr. Rosales and thanked him and the entire staff that helps to put this together each year including Deputy City Manager Rodney Miller. Photos were taken. He asked Mr. Rosales if he wished to comment.

Mr. Johnathan Rosales thanked Mayor Guess, City Council, and the City Manager's Office for all of their contributions in putting the budget together. He looked forward to going through this process the next fiscal year.

Mayor Guess and Councilmembers thanked Mr. Rosales.

V. Persons Requesting to Be Heard

Mayor Guess asked if anyone would like to address Council. No one appeared. He reminded everyone that they did not have to wait until a City Council meeting to address Council. They provide this opportunity at every Council meeting, but they certainly did not have to wait until a Council meeting to be able to do that. All Councilmembers were available. Their contacts were on the website and other places. He thought that each and every one of the Councilmembers was accessible, and any time they would like to speak to any of them about any matter, they would certainly make themselves available.

VI. Approval of Minutes

A. Regular Meeting of January 4, 2022.

Alderman Patton moved, seconded by Alderman Zagaroli that the Minutes of January 4, 2022, be approved. The motion carried unanimously.

VII. Reaffirmation and Ratification of Second Readings. Votes recorded on first reading will be reaffirmed and ratified on second reading unless Council Members change their votes and so indicate on second reading.

Alderman Patton moved, seconded by Alderman Williams that the following be reaffirmed and ratified on second reading. The motion carried unanimously.

A. Budget Revision Number 11. (First Reading Vote: Unanimous)

B. Consideration of Rezoning Petition Number 21-08 for Property Located at 3320, 3326, 3330, and 3342 9<sup>th</sup> Avenue Drive NW, from R-1 Residential to Neighborhood Center Commercial (NC). (First Reading Vote: Ayes: Alderman Wood, Alderman Seaver, Mayor Guess, and Alderman Williams; Nays: Alderman Williams, Alderman Zagaroli, and Alderman Patton)

VIII. Consent Agenda: All items below will be enacted by vote of City Council. There will be no separate discussion of these items unless a Council Member so requests. In which event, the item will be removed from the Consent Agenda and considered under Item IX.

Alderman Patton moved, seconded by Alderman Seaver approval of the Consent Agenda. The motion carried unanimously.

- A. Approved the Appointment of Joshua Worsham to the Hickory Fire Department's Board of Trustees for the Local Relief and Supplemental Retirement Board.

Staff request approval of the appointment of Joshua Stephen Worsham to the Hickory Fire Department Local Relief and Supplemental Retirement Board of Trustees. The Fire Department Board of Trustees Local Relief and Supplemental Retirement Board consists of five board members. The five members consist of one appointed by the North Carolina Insurance Commissioner, two appointed by Mayor and Council, and two elected by the fire department membership. The purpose of the board is to administer the disbursement of funds received from the North Carolina State Firefighter's Association for local firefighter relief and supplemental retirement programs. As of January 11, 2022, Captain Jeffrey D. Boggs submitted a letter to the Board of Trustees Chairman Matt Hutchinson giving notice of leave from the appointed position by March 31, 2022. This is to ensure that a sufficient amount of notification is given to appoint a new board member. A recommendation for appointment has been submitted identifying Senior Firefighter Joshua Worsham to be considered for this position. Staff recommends Council's approval of the appointment of Joshua Worsham to the Hickory Fire Department's Board of Trustees for the Local Relief and Supplemental Retirement Board.

- B. Called for a Public Hearing for Consideration of a Voluntary Non-Contiguous Annexation of 13.384 Acres of Property Located Between 47<sup>th</sup> Avenue Place NE and 48<sup>th</sup> Avenue Lane NE, PIN 3735-13-02-2954. (Authorized Public Hearing for February 15, 2022, at 7:00 p.m. in Council Chambers of the Julian G. Whitener Municipal Building.)

RESOLUTION NO. 22-05  
RESOLUTION DIRECTING THE CLERK TO INVESTIGATE A PETITION RECEIVED  
UNDER G.S. 160A-31 AND/OR 160A-58.1, AS AMENDED

WHEREAS, a petition from D&J Properties North Carolina LLC requesting annexation of an area described in a petition was received on November 4, 2021, by the City Council of the City of Hickory; and

WHEREAS, G.S. 160A-31 and G.S. 160A-58.1 provide that the sufficiency of the petition shall be investigated by the Clerk before further annexation proceedings may take place; and

WHEREAS, the City Council of the City of Hickory deems it advisable to proceed in response to this request for annexation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HICKORY:

THAT, the Clerk is hereby directed to investigate the sufficiency of the above-described petition and to certify as soon as possible to the City Council the result of her investigation.

CERTIFICATE OF SUFFICIENCY

TO THE CITY COUNCIL OF THE CITY OF HICKORY, NORTH CAROLINA:

I, Debbie D. Miller, City Clerk, do hereby certify that I have investigated the petition attached hereto and have found as a fact that said petition is signed by all owners of real property lying in the area described therein, in accordance with G.S. 160A-31 and/or G.S. 160A-58.1, as amended:

Located between 47<sup>th</sup> Avenue Place NE and 48<sup>th</sup> Avenue Lane NE, Containing approximately 13.384 Acres, more or less, PIN 3735-13-02-2954

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Hickory this 4<sup>th</sup> day of November 2021.

/s/ Debbie D. Miller, City Clerk

RESOLUTION 22-06

RESOLUTION FIXING DATE OF PUBLIC HEARING ON QUESTION OF ANNEXATION, PURSUANT TO G.S. 160A-31 OR G.S. 160A-58.1, AS AMENDED

WHEREAS, a petition requesting annexation of the area described herein has been received; and

WHEREAS, the City Council of the City of Hickory has, by Resolution, directed the clerk to investigate the sufficiency thereof; and

WHEREAS, certification by the Clerk as to the sufficiency of said petition has been made.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HICKORY:

Section 1: That a public hearing on the question of annexation of the area described herein will be held at 7:00 p.m. on February 1, 2022, in the Council Chambers of the Julian G. Whitener Municipal Building, located at 76 North Center Street, Hickory, North Carolina.

Section 2: The area proposed for annexation is described as follows:

Located between 47th Avenue Place NE and 48th Avenue Lane NE, Containing approximately 13.384 Acres, more or less, PIN 3735-13-02-2954

Section 3: Notice of said public hearing shall be published in The Hickory Daily Record, a newspaper having general circulation in the City of Hickory, at least ten (10) days prior to the date of said public hearing.

RESOLUTION NO. 22-07

A RESOLUTION DETERMINING THE INTENT TO ANNEX INTO THE CORPORATE LIMITS OF THE CITY OF HICKORY CERTAIN PROPERTY OWNED BY D&J PROPERTIES NORTH CAROLINA LLC AND CALLING FOR A PUBLIC HEARING ON THE SAME

WHEREAS, D&J Properties North Carolina LLC is the owner of certain real property as described herein, which property is located between 47th Avenue Place NE and 48th Avenue Lane NE, containing approximately 13.384 acres, more or less, PIN 3735-13-02-2954; and

WHEREAS, such property is currently located in the City's extra-territorial jurisdictional (ETJ); and

WHEREAS, it is in the best interest of the health, safety, and well-being of the residents of the City of Hickory to annex such property into the corporate limits of the City of Hickory as authorized by N.C.G.S. Section 160A-31; and

NOW, THEREFORE BE IT RESOLVED by the Hickory City Council, sitting in open session this 1st day of February 2022, at a regularly scheduled meeting of the governing body of said Council, duly called and posted in accordance with the statutes of the State of North Carolina, as follows:

Section 1: That the Hickory City Council does determine that it is in the best interest of the health, safety, and well-being of the residents of the City of Hickory to annex the property described hereinafter into the corporate limits of the City of Hickory.

Section 2: That a public hearing on the question of annexation of the area described herein will be held at 7:00 p.m. on February 15, 2022, in the Council Chambers of the Julian G. Whitener Municipal Building, located at 76 North Center Street, Hickory, North Carolina.

Section 3: The same being that property reflected on maps entitled D&J Properties North Carolina, LLC, Voluntary Non-Contiguous Annexation, Map 1, Current City Boundary, subject property outlined in red; D&J Properties North Carolina, LLC, Voluntary Non-Contiguous Annexation, Map 2, Current Zoning, subject property outlined in red; D&J Properties North Carolina, LLC, Voluntary Non-Contiguous Annexation, Map 3, Aerial Photography, subject property outlined in red.

Section 4: Notice of said public hearing shall be published in The Hickory Daily Record, a newspaper having general circulation in the City of Hickory, at least ten (10) days prior to the date of said public hearing.

- C. Approved Awarding Retiring MPO Stephanie Roberts with her Service Weapon upon her Retirement on April 1, 2022.

Hickory Police Department requests City Council award retiring MPO Stephanie Roberts her service weapon (Glock Model 17 - Serial # UHF169) and badge upon her retirement April 1, 2022. MPO Stephanie Roberts will retire from the City of Hickory Police Department April 1, 2022, after completing approximately 25 years of qualifying service to the citizens of Hickory. By authority of North Carolina General Statutes, City Council may

award the service weapon and police badge to MPO Stephanie Roberts upon her retirement from Hickory Police Department. Upon approval from City Council, the police badge and service weapon will be declared surplus and removed from the City's fixed asset inventory. Staff recommends approval of awarding the service weapon and police badge to MPO Stephanie Roberts upon her retirement from Hickory Police Department.

- D. Approved the Vacant Building Revitalization Performance Agreement Amendment One for Riding the Rails, LLC.

Staff requests Council's approval of the Vacant Building Revitalization Performance Agreement Amendment One for Riding the Rails, LLC. Riding the Rails, LLC was approved on May 5, 2020 for funding in the amount of \$20,000 to assist in the renovation of the vacant building at 703 Main Avenue SW. The applicant is renovated the 11,342 square foot building for use as an office for use by Atriax Group, an architecture and engineering firm. The applicant plans to invest at least \$1.2 million dollars in real property improvements to rehabilitate the building and to install a sprinkler system. This makes the project eligible for a \$20,000 forgivable loan. Due to delays resulting from the COVID-19 pandemic and extensive project workload, Riding the Rails, LLC has requested a 180-day extension to complete the improvements and occupy the building. The Business Development Committee reviewed the extension request and recommended approval. The revised deadline for completion of the improvements and occupancy of the building will be November 1, 2022. Staff recommends Council's approval of the Vacant Building Performance Agreement Amendment One with Riding the Rails, LLC.

- E. Approved a Cemetery Deed Transfer from Mary Kathryn Frye Hemphill, by Katheryn G. Hemphill, Attorney in Fact, to Kathryn G. Hemphill, married, Oakwood Cemetery, Gravesites Numbers 001, 004, 005, 007 and 008, of Plot G, Lot Number 3, Section 45. (Prepared by Kathryn G. Hemphill, Esquire, Hemphill Law Firm, PLLC)
- F. Approved a Cemetery Deed Transfer from Steven E. Bowman and wife, Vicki V. Bowman to James S. Teague, Oakwood Cemetery, Section 58, Plot F3, Lots 5 and 6. (Prepared by Kevin C. McIntosh, Esquire)
- G. Approved a Cemetery Deed Transfer from James Fred Galloway and wife, Donna Young Galloway, Nancy Ruthann G. Brawley (aka Ruthann G. Brawley) unmarried, to Elizabeth June Clain, unmarried, Oakwood Cemetery, Section 58, Plot K9, Lot Number 2. (Prepared by Casey W. Pope, Patrick, Harper & Dixon, L.L.P.)
- H. Approved on First Reading Budget Revision Number 12.

ORDINANCE NO. 22-03  
BUDGET REVISION NUMBER 12

BE IT ORDAINED by the Governing Board of the City of Hickory that, pursuant to N.C. General Statutes 159.15 and 159.13.2, the following revision be made to the annual budget ordinance for the fiscal year ending June 30, 2022, and for the duration of the Project Ordinance noted herein.

SECTION 1. To amend the General Fund within the FY 2021-22 Budget Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Uses	54,602	433,136
TOTAL	54,602	433,136

To provide funding for the above, the General Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	54,602	-
Sales and Services	-	433,136
TOTAL	54,602	433,136

SECTION 2. To amend the Capital Reserve Fund within the FY 2021-22 Budget Ordinance the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Transportation	54,602	-
TOTAL	54,602	-

To provide funding for the above, the Capital Reserve Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	54,602	-
TOTAL	54,602	-

SECTION 3. To amend the General Capital Projects Fund within the FY 2021-22 Budget Ordinance the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
-	-	-
TOTAL	-	-

To provide funding for the above, the General Capital Projects Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	-	989,500
Miscellaneous Revenues	989,500	-
TOTAL	989,500	989,500

SECTION 4. To amend the Water/Sewer Fund within the FY 2021-22 Budget Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Uses	1,862,500	-
TOTAL	1,862,500	-

To provide funding for the above, the Water/Sewer Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	1,862,500	-
TOTAL	1,862,500	-

SECTION 5. To amend the Hickory Metro Convention Center (#700012) Capital Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	433,136	433,136
TOTAL	433,136	433,136

To provide funding for the above, the Hickory Metro Convention Center (#700012) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	-	433,136
Miscellaneous Revenue	433,136	-
TOTAL	433,136	433,136

SECTION 6. To amend the City Walk (#B1C001) Capital Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	805,985	551,057
TOTAL	805,985	551,057

To provide funding for the above, City Walk (#B1C001) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	558,500	-
Restricted Intergovernmental	-	551,057
Investment Earnings	-	332,150
TOTAL	558,500	883,207

SECTION 7. To amend the Riverwalk NCDOT EB-5939 (#B1R002) Capital Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	2,005,398	-
TOTAL	2,005,398	-

To provide funding for the above, the Riverwalk NCDOT EB-5939 (#B1R002) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Investment Earnings	775,000	-
Other Financing Sources	1,230,398	-
TOTAL	2,005,398	-

SECTION 8. To amend the Book Walk (#B1L001) Capital Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	12,000	329,054
TOTAL	12,000	329,054

To provide funding for the above, the Book Walk (#B1L001) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	12,000	-
Restricted Intergovernmental	-	329,054
TOTAL	12,000	329,054

SECTION 9. To amend the Book Walk South (#B1L002) Capital Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	34,000	-
TOTAL	34,000	-

To provide funding for the above, the Book Walk South (#B1L002) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	34,000	-
TOTAL	34,000	-

SECTION 10. To amend the Old Lenoir Road (#B1O001) Capital Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	3,700,528	69,463
TOTAL	3,700,528	69,463

To provide funding for the above, the Old Lenoir Road (#B1O001) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	3,422,631	-
Investment Earnings	208,434	-
TOTAL	3,631,065	-

SECTION 11. To establish the 9<sup>th</sup> Street Streetscape EB-5977 (#B1O002) Capital Project, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	1,715,000	-
TOTAL	1,715,000	-

To provide funding for the above, the 9<sup>th</sup> Street Streetscape EB-5977 (#B1O002) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Restricted Intergovernmental	1,600,000	-
Other Financing Sources	115,000	-
TOTAL	1,715,000	-

SECTION 12. To establish the Aviation Walk (#B1N001) Capital Project, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	1,577,000	1,230,398



TOTAL	1,577,000	1,230,398
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To provide funding for the above, the Aviation Walk (#B1N001) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	1,577,000	1,230,398
TOTAL	1,577,000	1,230,398

SECTION 13. Copies of the budget revision shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

- I. Approved on First Reading Budget Revision Number 13.

ORDINANCE NO. 22-04  
BUDGET REVISION NUMBER 13

BE IT ORDAINED by the Governing Board of the City of Hickory that, pursuant to N.C. General Statutes 159.15 and 159.13.2, the following revision be made to the annual budget ordinance for the fiscal year ending June 30, 2022, and for the duration of the Project Ordinance noted herein.

SECTION 1. To amend the General Fund within the FY 2021-22 Budget Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Public Safety	34,980	-
Culture & Recreation	110	2,186
Transportation	47,155	-
Other Financing Uses	2,186	-
TOTAL	84,431	2,186

To provide funding for the above, the General Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Miscellaneous Revenue	82,245	-
TOTAL	82,245	-

SECTION 2. To amend the Water/Sewer Fund within the FY 2021-22 Budget Ordinance the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Uses	26,335	-
TOTAL	26,335	-

To provide funding for the above, the Water/Sewer Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Miscellaneous Revenue	26,335	-
TOTAL	26,335	-

SECTION 3. To amend the Fleet Fund within the FY 2021-22 Budget Ordinance the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Government	26,335	-
TOTAL	26,335	-

To provide funding for the above, the Fleet Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	26,335	-
TOTAL	26,335	-

SECTION 4. To amend the Transportation Fund within the FY 2021-22 Budget Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Transportation	3,580	-
TOTAL	3,580	-

To provide funding for the above, the Transportation Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Miscellaneous Revenue	3,580	-
TOTAL	3,580	-

SECTION 5. To amend the Urgent Repair Program Fund within the FY 2021-22 Budget Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Economic & Community Development	80,000	-
TOTAL	80,000	-

To provide funding for the above, the Urgent Repair Program Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Restricted Intergovernmental	80,000	-
TOTAL	80,000	-

SECTION 6. To amend the Ridgeview Library Expansion (#630001) Capital Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	2,186	-
TOTAL	2,186	-

To provide funding for the above, Ridgeview Library Expansion (#630001) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	2,186	-
TOTAL	2,186	-

SECTION 7. Copies of the budget revision shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

- IX. Items Removed from Consent Agenda – None
- X. Informational Item
- XI. New Business:

A. Public Hearings

1. Approved on First Reading Proposed Amendments to Chapter 21, Consideration of Proposed Amendments to Chapter 21, Sections 21-8, 21-9 and Section 21.11 of the Hickory City Code of Ordinance – Presentation by Deputy City Attorney Arnita Dula.  
  
Staff requests Council’s consideration of amendments to Chapter 21 Miscellaneous Offenses, Section 21-8.- Reserved, Section 21-9. - Imitating police whistle, fire siren, etc., and Section 21-11. – Malt beverages, wine – Hours of sale of beer or wine. of the Hickory Code of Ordinances. On September 10, 2021, Governor Cooper signed into law House Bill 890 ABC Omnibus Legislation (S.L. 2021-150). A provision in the bill amended G.S. 18B-904 by adding subsection (h) which allows permittees holding ABC permits for on-premises consumption of alcohol to extend their premises for the outdoor possession and consumption of alcohol. In order for permittees to extend their premises now, a City must adopt an ordinance authorizing the extension. Permittees must also meet several other requirements set forth in the subsection. There are three proposed amendments to Chapter 21. The first amendment is the addition of a substantive ordinance which will meet the statutory requirements to authorize permittees with on-premises ABC permits to extend their premises for the outdoor possession and consumption of alcohol. The new ordinance will be numbered as Section 21-9. – Extension of license premises. The second proposed amendment involves formatting changes. Current Section 21-9. – Imitating police whistle, fire siren, etc. will be renumbered as Section 21-8. New Section 21-9 will be the substantive ordinance referenced in the preceding paragraph. The formatting changes will place the three sections related to alcohol together and will be outlined as follows: Section 21-8. – Imitating police

whistle, fire siren, etc..; Sec. 21-9. – Extension of license premises.; Section 21-10. - Alcoholic beverages – consumption on City property; social districts.; and Section 21-11. – Malt beverages, wine, Hours of sale of beer or wine. The third amendment is to revise Section 21-11's heading – Malt beverages, wine, Hours of sale of wine, so it is consistent with Section 21-10's recently amended heading – Alcoholic beverages – Consumption on City property. Staff recommends Council's consideration and adoption of the amendments to Chapter 21 Miscellaneous Offenses, Sections 21-8, 21-9 and 21-11 of the Code.

This public hearing was advertised in a newspaper having general circulation in the Hickory area on January 21, 2022.

City Manager Warren Wood mentioned that Deputy City Attorney Arnita Dula was sitting in for City Attorney John Crone as he was a little under the weather. He asked Deputy City Attorney Arnita Dula to the podium to discuss amendments to Chapter 21 Miscellaneous Offenses, Section 21-8 and 21-9, and Section 21-11 of the Hickory City Code of Ordinances.

Deputy City Attorney Arnita Dula presented a PowerPoint. She discussed amendments to Chapter 21. This Chapter dealt with miscellaneous offenses. It was also the Chapter that contained provisions related to the use of alcohol or consumption of alcohol on City property. The particular Sections in question, were Sections 21-8, 21-9 and 21-11. A Mega Bill, House Bill 890, Session Law 2021-150 amended the statutes related to licensing of extended premise licensing by adding Subsection "H". This particular Section required cities to adopt an ordinance granting permission to alcohol permit holders to extend their licensed premises for outdoor possession and consumption. They may say, they already have that going on. That was true. She advised if they would recall during Covid, there was temporary legislation that was put in place to allow businesses to extend their premises. This made it permanent, but it applied to all establishments who want to extend their premises and serve outdoors. Without it, even businesses that currently hold permits to do this, when they go to renew, they have to show that there was an ordinance in place. That was why she was presenting this to Council tonight. Also, it lists several requirements that the permittee(s) had to meet to extend their premises. Most of these requirements were in the existing statute. The addition was primarily the requirement adopting the ordinance.

Deputy City Attorney Arnita Dula discussed additional background. She reminded Council they recently amended section 21-10, the heading, it used to be Malt Beverages and Wine Consumption on City property, but they changed that heading to alcoholic beverages. The proposed heading of the current Section 21-11 still had that old heading the Malt Beverages and Wine. To make the headings consistent. The final proposed amendment was basically reformatting the sections, so all of the ones that were related to alcohol possession consumption etcetera were grouped together.

Deputy City Attorney Arnita Dula advised the first amendment dealt with adding the substantive code provisions about the extension of the licensed premises. Then amending Section 21-11's heading to make it consistent with Section 21-10's, recently amended heading, and then adding the proposed extension of premises section and reformatting the existing sections. She advised Council had the amendment in their agenda packet. The primary thing that the permittee may have applied to the City for authorization to extend their premises. The patrons could not go outside. There was one little exception, but they could not go outside the extended area, the licensed area. This Session Law also contemplated, that owners of establishments may actually be on private property, and it provided a mechanism where-by they had to obtain permission from the property owner. For businesses that were located in the City's downtown area and not on City property that would not apply. There may be restaurants that were on private property, and they want to extend their premises and they must obtain the property owner's permission. They have to have a diagram of the area and provide a copy of the diagram in the permission to extend to these agencies, including the City's Chief of Police. The area had to be marked off properly and the diagram referenced had to be maintained on the licensed premises, showing the number of tables and seats, the size and location, and the type of barriers that the establishment owner was using to mark-off the boundaries, and could not use the area to extend their occupancy load. They had to comply with all laws governing accessibility. This exception, patrons were not permitted to exit the extended area with a beverage except for as allowed under 18b-904.1, that relates to social districts. She mentioned Council adopted an ordinance permitting the City to establish social districts. The business owners had to comply with any other additional requirements, and violations shall be enforced.

There were mechanisms within this Chapter for enforcement, and also subject to civil penalties as contained in the Hickory Code of Ordinances.

Deputy City Attorney Arnita Dula advised to amend Section 21-11's current heading, Malt Beverages and Wine, the amended proposed heading was Alcoholic Beverages, Hours of Sale. She referred to the PowerPoint and explained the slide showed the current formatting, Section 21-8 was reserved. She pointed out where the provisions on the extension of premises would go. If she used that proposed current order, they would notice that the next section 21-9 was Imitating Police Whistle Fire Siren. Then they would see the other two provisions that dealt with alcoholic beverages. She noted the proposed reformatting was on the right. She would move the provisions about imitating police whistles and fire sirens to the reserved Section, new Section 21-9 would be the extension of the licensed premises. Section 21-10 alcoholic beverages consumption on City property and Section 21-11 was the renamed or the new heading alcoholic beverages hours of sale. She asked Council for any questions.

Mayor Guess asked if Council had any questions for Ms. Dula. He thanked Ms. Dula and explained the rules for conducting the public hearing. He declared the public hearing open. He asked if there was anyone present to speak in opposition to the proposal. No one appeared. Mayor Guess asked if there was anyone present to speak in favor of the proposal. No one appeared. Mayor Guess closed the public hearing.

Aldерwoman Patton moved, seconded by Aldерwoman Williams approval of the amendments to Chapter 21 of the Hickory City Code of Ordinances. The motion carried unanimously.

#### ORDINANCE NO. 22-05

AN ORDINANCE OF THE HICKORY CITY COUNCIL AMENDING SECTIONS 21-8 RESERVED, 21-9 IMITATING POLICE WHISTLE, FIRE SIREN, ETC., AND 21-11 MALT BEVERAGES, WINE HOURS OF SALE OF BEER OR WINE OF CHAPTER 21 MISCELLANEOUS OFFENSES OF THE HICKORY CODE OF ORDINANCES

WHEREAS, House Bill 890 (HB 890)/Session Law 2021-150 (S.L.2021-150) amended North Carolina General Statute 18B-904(h) to authorize cities to adopt an ordinance granting businesses holding ABC permits for the on-premises consumption of alcoholic beverages permission to extend their licensed premises for the outdoor possession and consumption of alcoholic beverages; and

WHEREAS, the heading of Section 21-11 needs to be amended to be consistent the recently amended heading of Section 21-10.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HICKORY, THAT SECTIONS 21-8, 21-9, AND 21-11 OF CHAPTER 21 OF THE HICKORY CITY CODE BE AMENDED AS FOLLOWS:

Section 1: Amended.

a. Sec. 21-8 Reserved is revised as follows:

Section 21-8. - Imitating police whistle, fire siren, etc.

No person, other than firefighters and police officers on duty, shall sound a bell, horn, whistle, or anything else which makes a noise or sound similar to the sound or noise made by the bells, horns, gongs, signals, or whistles used by the police force and fire department.

b. Sec. 21-9 is deleted in its entirety and replaced as follows:

Section 21-9. – Extension of licensed premises.

(a) A person holding a permit issued under Article 10 or 11 of Chapter 18B of the North Carolina General Statutes that allows the on-premises consumption of alcoholic beverages (hereinafter a "permittee") may apply to the City of Hickory for authorization to expand their licensed premises to utilize an area that is not part of the permittee's licensed premises for the outdoor possession and consumption of alcoholic beverages sold by the permittee. Nothing in this Section permits the sale of alcoholic beverages outside the permittee's licensed premises.

- i. As used in this Section, the term “licensed premises” means and refers to the fixed permanent establishment, including all areas inside or outside the establishment, for which the permittee received an ABC permit from the ABC Commission for the sale, possession, and consumption of alcohol.
- ii. As used in this Section the term “person” means and refers to an individual, firm, partnership, association, corporation, limited liability company, other organization or group, or other combination of individuals acting as a unit.
- (b) In order to receive such authorization, the permittee must comply with all of the following:
  - i. If the property to which the premises will be extended (hereinafter referred to as “extended premises”) is not owned by the permittee, the owner of the property must provide written permission to the permittee, to be provided to the City, allowing the use of the extended premises for the purpose set forth in this Section.
  - ii. The permittee must provide written notification of the authorization to extended premises, including the diagram required under subsection (iv) of this section and, if applicable, a copy of the written permission required under subsection (i) of this section, to the Hickory District Office of the Alcohol Law Enforcement Division of the North Carolina Department of Public Safety, the North Carolina ABC Commission, and the Chief of Police or his/her designee.
  - iii. The permittee shall visibly and vertically mark off the extended premises so a reasonable person could distinguish between the extended premises and any sidewalk, walkway, or public right of way.
  - iv. The permittee shall maintain a diagram on the licensed premises detailing the size and location of the extended premises. The diagram required under this subsection shall have the boundaries of the extended premises clearly marked, specify the types of barriers used to mark the boundaries of the extended premises, and specify the number of tables and seats placed in the extended area.
  - v. The extended premises shall not be used to increase the occupant load of the licensed premises. For purposes of this section, "occupant load" is as used in Section 1004 of the 2018 North Carolina Building Code.
  - vi. The extended premises shall comply with all applicable laws governing accessibility.
  - vii. Except as allowed under North Carolina General Statute 18B-904.1 or to reenter the licensed premises, a person shall not exit an extended premises with an alcoholic beverage purchased from the permittee.
  - viii. The permittee shall comply with any additional requirements imposed by the North Carolina ABC Commission through the adoption of rules.
- (c) Violations of this Section will be enforced as set out in Chapter 18B of the North Carolina General Statutes. In addition to those penalties set forth in Chapter 18B, a violation is subject to civil penalties as set forth in Section 1-9 of the Hickory Code of Ordinances.
- c. The heading Section 21-11. – Malt beverages, wine – Hours of sale of beer or wine is amended as follows:

21-1. – Alcoholic beverages – Hours of sale of alcoholic beverages.

Section 2: Severability.

If any portion of this Section is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed severable, and such holding shall not affect the validity of the remaining portions hereof.

Section 3: Repealed.

All ordinances or provisions of the Hickory City Code of Ordinances which are not in conformance with the provisions of the Amendment occurring herein are repealed as of the effective date of this Ordinance.

Section 4: Effective Date.

This Ordinance shall become effective upon immediately upon its adoption.

2. Approved a Resolution Directing that the Street Improvement Project be Undertaken for Property Located at 2510 and 2520 17<sup>th</sup> Street NE, Hickory, Petition Number 22-01. – Presentation by Public Services Director Steve Miller.

The City Clerk received a petition from the owner of property along 17<sup>th</sup> Street NE to install curb and gutter along a portion of their street as per Section 29-2 of the Hickory Code of Ordinances. The petitioner(s) represent a majority, greater than 50 percent of the property owner(s), as well as a majority greater than 50 percent of the property footage of the property frontage requested in the petition and therefore qualifies as a valid petition. On January 4, 2022, City Council approved the Resolution to hold a public hearing. The signature(s) on the petition represent 100 percent of the property owner(s) affected, who in turn represent 100 percent of the property footage affected. The City Clerk validated these numbers on the Certificate of Sufficiency. Staff recommends Council's approval of a Resolution directing that street improvement project be undertaken for petition number 22-01 that is requesting the City to construct curb and gutter along a portion of 17<sup>th</sup> Street NE.

This public hearing was advertised in a newspaper having general circulation in the Hickory area on January 7, 2022.

City Manager Warren Wood asked Public Services Director Steve Miller to the podium to present Council with a Resolution Directing that the Street Improvement Project be Undertaken for property located at 2510 and 2520 17<sup>th</sup> Street NE, Hickory, Petition Number 22-01.

Public Services Director Steve Miller presented a PowerPoint. He advised the City Clerk received a petition from the owner of property along 17<sup>th</sup> Street NE to install curb and gutter along a portion of their street as per Section 29-2 of the Hickory Code of Ordinances. The petitioners represented a majority greater than 50 percent of the property footage of the property frontage requested in the petition and therefore qualified as a valid petition. The signatures of the petition represented 100 percent of the property owners affected. He referred to the PowerPoint and displayed an aerial of the area in question. He pointed out Sandy Ridge Road, and 29<sup>th</sup> Avenue. He noted it was a dead end off of Sandy Ridge Road. He pointed out the property in question and an additional lot. They were requesting curb and gutter. He mentioned it was a big piece of property and pointed out where the curb and gutter would be placed. The property contained a circle driveway, and this would improve the looks. He pointed out a drainage issue that this should be able to solve. He advised it was pretty lengthy, about a 400-foot lot. There were two driveway openings and all that curb and gutter there. He reiterated it was a single party petition, 100 percent, only one party. Staff recommended Council's acceptance and approval of a Resolution Directing that Street Improvement Project be Undertaken for Petition Number 22-01 that was requesting the City to construct the curb and gutter along a portion of 17<sup>th</sup> Street NE. He asked for any questions.

Mayor Guess asked for any questions. He advised the same rules for conducting the public hearing applied as he explained previously. He declared the public hearing open. He asked if there was anyone present to speak in opposition to the proposal. No one appeared. Mayor Guess asked if there was anyone present to speak in favor of the proposal. No one appeared. Mayor Guess closed the public hearing.

Mayor Guess moved, seconded by Alderman Zagaroli approval of the Resolution Directing that the Street Improvement Project be Undertaken for Property Located at 2510 and 2520 17<sup>th</sup> Street NE. The motion carried unanimously.

Resolution No. 22-08

Resolution Directing That Street Improvement Project Be Undertaken  
(Petition No. 22-01)

WHEREAS, on December 20, 2021, the property owners of 2510 and 2520 17<sup>th</sup> Street NE, Hickory, filed with the City Engineer of the City of Hickory a petition for improving said street by placing and constructing thereon curb and gutter according to plans and specifications on file in the office of the City Engineer; and

WHEREAS, the City Clerk has certified to the City Council of the City of Hickory that said petition is sufficient in all respects, the same having been duly signed by a majority in number of the owners, whose property represents a majority of all the lineal feet of frontage of the lands abutting upon the streets or portion of streets hereinabove described; and

WHEREAS, a Preliminary Assessment Resolution was adopted by this City Council and a public hearing thereon duly held.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HICKORY, NORTH CAROLINA:

1. That a portion of 2510 and 2520 17th Street NE, Hickory be improved by placing and constructing thereon curb and gutter under and by virtue of Chapter 160A, Article 10 of the General Statutes of North Carolina and the procedure therein established, and that said improvements be done by the City of Hickory or by contract after due notice and advertisement for bids, as outlined by Chapter 143, Section 129, of the General Statutes of North Carolina.
2. That 50 percent of the total cost of said improvement, exclusive of so much of the total costs as is incurred in improving the street intersections, be hereafter assessed upon the property receiving the improvements.
3. That the assessment herein provided for shall be payable in cash, or if any property owner shall so elect, in accordance with Chapter 160A, Sections 232 and 233 of the General Statutes of North Carolina, he shall have the option and privilege of paying the assessment in five (5) annual installments, said installments to bear interest at the rate of 8 percent per annum.

B. Departmental Reports:

1. Quarterly Financial Report – Presentation by Deputy City Manager Rodney Miller

Mayor Guess asked Deputy City Manager Rodney Miller to the podium to present the quarterly financial report. He mentioned that he was obviously responsible for the Distinguished Budget Award that the City had won for the 27<sup>th</sup> consecutive year. He was not sure that he had been with the City that long, but he was certainly responsible for some of those.

Deputy City Manager Rodney Miller mentioned he was present in 1995, but he did not think he had much to do with that at that time, but he would take credit. He thanked the Mayor. He discussed the second quarter report which was through December 31<sup>st</sup>. He presented a PowerPoint. The City's General Fund was displayed on the PowerPoint. That was the main operating fund of the City with the majority of the City departments. The City relies on revenues primarily in the form of property taxes, which was the first line item. He pointed out the year-to-date actual figures compared to last year's revenue total at this time were significantly higher. He advised the City raised the property tax rate by four cents on July 1<sup>st</sup>. That was going to bring in more revenue for this fiscal year. Four cents on the tax rate were \$2 million dollars. If they did the math and take two million away from ad valorem, they would see they were about \$900,000 ahead of last year. That was the simple math. Other taxes, which were primarily sales taxes. Intergovernmental was State, Federal, and local government revenue, primarily Catawba County revenue that the City received. Permits, fees, sells and services was the rest of the City's departments, in these fees they charge for their services. Unfortunately, the City's investment earnings continued to suffer. He advised they were at a whopping \$11,000 that they had received on their investments through December 31. He noted this was just the General Fund. The City had more investment earnings across the City, but just in the General Fund they only have \$11,000. Miscellaneous was a host of things from donations to insurance reimbursements etcetera. He noted the City was doing quite well. In fact, they had already exceeded their budgetary amounts for the current year. Other financing sources that was a revenue from the Capital Reserve Fund, which helped pay for a capital project in the current year budget. The total revenues totaled \$38.6 million dollars through December. Total expenditures were \$36.2 million dollars with a surplus through December 31<sup>st</sup> of \$2.4 million dollars. Again, compared to last year, they could this was the City's heavy month through December. This was when the majority of the property taxes were paid. This would be a heavy month in the revenue side and then they would start spending some of that as those revenues kind of deteriorate over the rest of the fiscal year. He discussed property tax revenue. They would see that

slide go up, but he had a slide that he had typically not shown but he wanted to share with them what 2020 and 2022 was. He had showed them the column figure which was the four-cent property tax increase they raised to pay for the final bond issue. He advised in the 2020 column they had actually increased the property tax rate 2.1 cents in that fiscal year. A total of 6.1 cents that they had raised the tax rate. He reminded everyone in 2014, they told the voters 6-8 cents they would be raising the City's property tax rate to pay for the \$40 million dollars in bonds. Those have all now been issued and the City was currently paying the debt back on those bonds. He was a little disappointed that the media was not present to pick up on this presentation, but they could share that with them after the presentation.

Mayor Guess confirmed that was a 20-year commitment.

Deputy City Manager Rodney Miller advised it was 20-years on all three of those bond issues. They started in 2018, 2019 and then 2021. It would be 20-years from each of those dates for those bonds. He referred to the PowerPoint and pointed out the budgeted revenues of a little over \$33.5 million dollars and the City had collected \$27.1 to date. Those were the property tax rate increases he mentioned previously. He asked Council to focus on the third and fifth columns. The City's net property tax revenues. He took the property tax rate increase out of those two years to compare what the normal revenue growth would be. Secondly in 2020, they would have to take out the property tax value growth as a result of revaluation. That was not growth, that was just the County revaluing their properties. When you do that, he referred to the PowerPoint, you were left with the red numbers at the top. Backing those numbers out, he noted they would see \$20.8 million dollars in revenue in 2020, \$25.1 million dollars in revenue in the current year. He pointed out a net increase of 1.82 percent in that year and they were just under four percent so far this year. This was certainly good. He could show the chart for the prior five years and they could see paltry, if not negative increases in one or two years. He was happy to have this growth. He commented the last two years of that growth was certainly positive. As he had mentioned before there had been quite a bit of development on the industrial, commercial, and residential side. They were just now starting to see the fruits of those labors. He pointed out on his development slide they still have a lot in the pipeline. They certainly expect these revenues to go up as long as the economy holds up.

Deputy City Manager Rodney Miller discussed sales tax growth. It had done well, an increase over the last five years. The City had received only through November, July through November revenues. In these 2020 and 21 years, it was a little bit interesting as he had looked back at some numbers and compared to other cities in North Carolina primarily. In 2020 the City started receiving sales tax revenues on Internet sales. As folks are buying things over the Internet, the City started receiving that in late 2020 in the City's sales tax revenue numbers. They began to wonder why the increases were still going up. Covid played a huge factor in that. He referred to the PowerPoint and asked Council to think about July through November of 2021. What happened? He advised a couple of things that happened. Number one, the masks that most everyone was wearing, people stopped wearing those out in the community and they started going out, they started eating and going to movie theaters and finally getting out and spending money. Number two school was in session. We bought shopping back in August for schools to go back, not only for the grade schools here and locally, but across the State the colleges and universities as well. Those were two things that had inflated this number. He did not expect that number to stay or continue at 17 percent. He would take it, and he hoped people would continue to spend in Hickory, but he was not counting on it.

Deputy City Manager Rodney Miller advised on the flip side of that coin, supply chain. They had heard that term and inflation pressures. The City's consumer price index from 2020 to 2021 in December was an increase of 7 percent, the highest since 1982. Mayor Guess was still a young lad at that time, and he may remember that. That was the last time they had had this high of inflation. He referred to the PowerPoint and advised these were national numbers. He asked them to look at some of the items that they had seen increases in that one-year period; natural gas. Certainly, the City of Hickory has a pretty large fleet. Gasoline and diesel usage was pretty high. When you see 40-50 percent increases those were real on the operating expenses in the City's budget. Asphalt, as City Manager Warren Wood said back in the budget document in July, the City has a contract in the current year, so they had not seen that 3.5 percent increase. When they go to a new contract for next year, they would certainly see an increase. Fortunately, nationally, asphalt was not up that much. That was a good thing. He mentioned steel. He talked to the City's Garage Manager today and in 2021 they had a 23 percent surcharge on steel. There



was steel in many of the products and equipment that they buy, trailers especially. They had been told they were going to have an additional 17 percent in the current year, calendar year. Concrete, not as bad as expected, 8 percent. He found this next one interesting, fertilizer increased from December to December, 91 percent. If they were doing their yard this year, they may want to try some other product besides fertilizer. Tires, fortunately they had not had an increase on tires, they had stayed flat, but they were hard to get. They were now trying to order well in advance. There was some good news from the past year. Health insurance costs actually declined from the national level and that was very, very rare. Wine at home actually decreased in the last year.

Deputy City Manager Rodney Miller discussed what the City was feeling from an operational standpoint. They were feeling quite a bit of wage pressures. They had felt these now in a couple departments for the last several years. They had focused their efforts on recruitment and retention in spite of what some media posts said. That had been their focus and would remain their focus. He would show them where in certain areas that they were hemorrhaging, and they were trying to do everything they could to stop the bleeding. One example was they had an equipment operator position open for sanitation. They may have gotten one or two applicants for it. Sometimes they post you get zero applicants. That was a problem. They have had to increase that starting pay from \$14.25 an hour to \$16.39 an hour. That was a 15 percent increase, just to get someone in the door. Late last year they had tried and been successful in a couple sign on bonuses and referral bonuses just for a few of the harder to fill positions, those that they were not getting many applications for. They had seen it. Drive down Highway 127 or Springs Road and see \$15 or \$16 an hour. Hickory Smokehouse was closing because he said he could not compete with folks, the grocery store offered more than him at Hickory Smokehouse. It was a challenge, and it was not only a challenge for them, but it was a challenge for everyone in Hickory, but that was what they were feeling. Staffing challenges. Steve Miller told him they have a couple of crews out of service. A crew was normally four people that go out and do a job, whether it was street, landscape, or other divisions. They had actually three crew leaders with no workers. Three crew leaders and a worker filling out a four-man crew. That was just not sustainable, and they were working overtime and they were trying to keep up. The snow really hit them hard, and they had a great amount of folks that worked overtime and they made it work. They did not do it as quickly as they had in the past, but they made it work and he thought they did an outstanding job.

Deputy City Manager Rodney Miller discussed capital purchases. If they were ordering heavy equipment cars and trucks, they were looking at a 12–16-month delays. New vehicles had seen an 11.8 percent increase in the City's vehicles according to the garage. In the budget this year, they had planned to buy three dump trucks in the landscape division. They had a budget of \$56,000 and they came in at \$70,000. They only purchased two of those. That was one less new one that they were going to be able to afford. A street crew cab truck was budgeted at \$155,000, went up to \$190,000 from the year before.

Deputy City Manager Rodney Miller discussed construction costs. The 12,000 square foot hangar the City was building out at the airport for the needed hangar space had been estimated, based on prior bids, at \$1.2 million, it came in at \$1.5 million or 25 percent higher than they had expected. Those are challenges. The revenue picture was great, but the operating expense side, capital expense side was hurting as well, and it was eating into that growth.

Deputy City Manager Rodney Miller discussed some of the building permit activity. He was pleasantly surprised on a lot of these numbers. They were at \$40 million dollars through last year at this time and they were already at \$102 million dollars in value. These were permits that had actually been pulled. He discussed residential and commercial rate. The rate of development was about the same if you looked at the number of permits. The City was up 30 overall. Residential had carried the lion's share of those permit numbers but look at the value. Commercial was a 355% increase from where they were last year at this time. He highlighted a couple of those before. The primary reason for that was American Fuji Seal. He referred to the Trivium Business Park and advised the development out there on Startown Road and Robinwood Road really looked good. In industrial development, they were over one million square feet in development the last two years in industrial development. Congratulations and kudos between Trivium Business Park, and MDI, they were over a million square feet. He referred to the PowerPoint and pointed out some of the newer developments, Wynnshire Ridge was developing, Loveland Townhomes in the Belle Hollow area, Image One Sushi right next door had pulled a permit, Atriax off of Main Avenue going west was under construction and they were doing a facelift, IFH was an alteration, and MDI. He thought Planning Director Brian

Frazier had told him they had two Starbucks in the making here in Hickory. Still no word on the hotel at least on this hotel. They were hearing there may be some interest in another hotel being added in Hickory. He commented regarding residential, what was in process versus what they had seen plans for, they had 2,800 housing units in the pipeline. That was really, really good news. That property tax base, once it gets on the books, then they would start receiving the revenue for that.

Deputy City Manager Rodney Miller discussed the water and sewer fund. Nothing significant here, revenues were slightly down from last year. Expenditures were actually down quite a bit from the year before primarily due to encumbrances. The expenditures were about \$124,000 higher than their revenues at this time. That was normal. They would pick that back up as water usage starts happening in the spring.

Deputy City Manager Rodney Miller discussed the investment report. He pointed out the paltry .25 percent the City was earning on their investments. They had earned a little over \$70,000 Citywide in investment income. That was a breakdown for all of the City's securities. They were going to be heavy in investments right now because they had just received all this property tax revenue. He referred to the PowerPoint and pointed out the 2021 bonds. They have about \$4 million dollars that had not been spent yet on the bonds. He pointed out the American Recovery Plan Act money for the first half of \$4.1 million dollars plus interest they had earned on that. They would receive the other \$4.1 million dollars, they think, sometime this June/July timeframe. He asked Council for any questions.

Mayor Guess asked if Council had any questions for Deputy City Manager Rodney Miller.

Alderman Wood asked for next year's budget would he build the inflationary numbers into it and assume that was the new normal or how was he going to deal with these inflation numbers.

Deputy City Manager Rodney Miller commented that was a great question and he would love to have that discussion in April when they come to Council. He still needs some more information. They want to get the final national numbers through December. They would start parsing that out and seeing what those were. He did not expect gas prices to stay this high. That was just his opinion. They were seeing some commodities decrease. For example, wood, they say lumber was coming down a bit. It really concerned him about steel. Gasoline would really hurt them the most. Fortunately, they had budgeted very, very conservatively and even in their budgets he did not expect to amend the budget this year because they left those at rates when they were \$4 a gallon. On the diesel and gasoline, unless things get worse, he saw \$3.09 on regular gas, it would have to get above \$3.50 for him to really be concerned, but he was hoping that was transitory, which was the buzzword in Fed, so they would see if that held. It was too early to tell was the short answer. He asked for any other questions.

Mayor Guess asked for any other questions. He thanked Deputy City Manager Rodney Miller.

City Manager Warren Wood advised Council that he had a follow-up to Deputy City Manager Rodney Miller's presentation. He mentioned in his evaluation this past year he had a number of goals and objectives that Council put in for him to pursue this coming year. He updated Council on where they were on a couple of those and also played into some of what Deputy City Manager Rodney Miller was talking about, particularly on the challenges that they were seeing on the employment side. Mr. Anthony Starr discussed the disparities report. One of the things that came out of that and was in his work plan for the coming year was for him to generate a report that detailed the current City of Hickory workforce composition and see what kind of progress they were making. He would give some quick snapshots of average years of service of their employees, average age, percent of the minority representation year over year and gender breakdown. He noted he would look at some of the larger departments he was not going to go through everything. This was where more of the budget, financial conversations came into play. One of the other objectives Council had for him was to generate a succession plan for critical positions and they were doing that, but they were also taking that one step further. The succession plan was a 3 to 5-year outlook. The leadership development program that they were trying to put in place, beginning to work on, would be a longer-term project that would hopefully yield dividends after he was gone. He advised he would discuss a little bit about that, identifying the next generation of leadership and enhancing their

development programs. They had some really good leadership development programs in place already. How do they tie all this together? Putting career ladders in, giving folks an opportunity once they meet certain benchmarks in training or certifications, or what not, to give them a chance to move up and not get stagnant and look for other job opportunities outside the organization. Career ladders were something they were going to focus on, and they had already started with public works and public utilities. Getting some data on where they need to be focusing first and where some issues were, and what rate the employees were retiring from which departments. What departments were they seeing the most people retire from? Which departments were they seeing the fewest people retire from and why is that? He would look at current vacancies that was going to be very eye opening. What departments were experiencing the most turnover and that would be extremely eye opening.

City Manager Warren Wood presented a PowerPoint presentation. He advised the majority of employees, almost 60 percent were 10-years or less in average years of service. They have fewer people that had been here a longer period of time. There was a lot of opportunity to really identify who they feel like would be really good leaders for this next generation, in that less than 10-years. They found if they could keep somebody 10-years the likelihood that they would stay would be higher. He mentioned this was old school, but Chief Lucas used to say that if he could keep them five-years get them married and get them to have a kid then you know they were going to be his for-a while. He discussed average years of service by department. These were some of the larger departments. He pointed out Fire 12.5 years; Public Services 9; Administrative Services, which was Human Resources IT, Finance, Managers Office, 9; Police was lower; and then Parks and Rec and Sports Tourism was really young in terms of their years of service. By age it was interesting. It was about a 50/50 age breakdown, 50 percent 40 and above, 50 percent below. It was pretty balanced in terms of the age breakdown within the organization as it stood.

Mayor Guess commented that he did not factor in that Council's age.

City Manager Warren Wood replied no, he took them out of it.

Mayor Guess commented that would have skewed the numbers.

City Manager Warren Wood discussed looking at average age by department. Administrative Services were the oldest. Then Public Services. There was a lot of 40-ish year old, Police skews were a little bit younger, but a lot in that 40- year-old as an average age by department. He referred to the PowerPoint and advised this was a year ago, 2021, the demographic breakdown by race and ethnicity. The City of Hickory was about 30 percent minority. One of their goals was they want to look like the people they serve, and they do not. The City does look like the four County region, but they do not look like Hickory in terms of the racial breakdown. Last year they were at about 10.4 percent. He advised Council he could send them the information if they were interested in it. It was going to be incremental in terms of progress that they would see. He pointed out a year later, they had improved about 1.2 percent in terms of diversifying the workforce. They would think that was not really moving the needle very much, but it really was because given the tenure, people often stay. They had increased almost all the racial breakdowns. That was an improvement over the last year. He looked at some of the departments in terms of their minority and employment. Parks and Recreation were almost 50 percent minority; Administrative Services 19 percent; Police 10.5 percent, Police had done a really good job of being innovative in the way they recruit people and bring people on, but still they have work to do; Public Service was about 6 percent of their employment; and Fire was about the lowest around 5 percent. Staff knew that this was one of their objectives. They do not cut corners or anything, they need to diversify the workforce and that was what they were focused on. In terms of gender, they were heavily male, 75 percent male within the organization. The Administrative Services side was heavily female, almost 74 percent female. Parks and Rec about 47 percent, it was about 50/50, they were probably the best balanced of all the departments in terms of racial breakdown and gender. They had done a really good job there. They were also younger. They had a lot of retirements, and they had a lot of opportunity to really bring some new people in. Police, 21 percent female; Public Services just over 8; and Fire again, was exactly the same as their minority representation about 5 percent female.

City Manager Warren Wood discussed succession planning. This was getting into just pulling the curtain back on what they were seeing in various departments, full retirement, that was 30-year retirement. Working 30-years with the City and then retiring. They had about 35 retirements the last five-years across all departments. The Fire Department represented over a third of those,

then Public Works, Public Utilities, and Police. There may have been a few in other departments, but that was the bulk of the retirements that they had seen throughout the City the last five years. A lot of people in the Fire Department working the 30-years for retirement. He advised this was how many people were employed versus in training versus vacant positions. The Police Department had 158 positions. With these numbers currently they were 84 percent fully staffed. They have 10 in training and 16 straight up vacancies. They have 26 vacancies. Most of those are sworn officers. Having someone in training was having a field training officer with them, so they were not by themselves, so that really takes a person off the street. They were down 26 people in their department. They were making it work. The Fire Department was a little bit different picture there. They were 94 percent fully staffed. He just signed seven payroll change notices to bring seven new people on board to go through training starting next week. As it stood today, they actually just have two vacancies out of 139 positions, so again they were 94 percent fully staffed. Public Services had 270 positions, 50 of which were vacant, they were about 80 percent staffed. When they see a snowstorm coming it was a lot of stress and anxiety, but they had done a really good job and they had a really good core group of people that had been here a long time that could do a lot of different things. That was how they were able to get it done so seamlessly and they never knew. He mentioned that unfortunately in Newton, they had to suspend their recycling service because they do not have enough people. It was critical here too, but Steve Miller and Shawn Pennell make it work. Like leaf pickup, obviously they were short with people to pick up leaves. As an example, the Warehouse Manager goes out on Saturdays and he was working overtime, picking leaves up with a crew. That was how they were all pitching together and working as a team, getting this done, and the public typically does not even know any lapse in service. They had done a great job.

City Manager Warren Wood discussed turnover rates in the last five-years. This was eye opening. In the last five-years in sanitation, they had a 29 percent average each year turnover rate. They had started addressing this with some career ladder opportunities and having to adjust pay. It was triage to some degree. Ordinarily they would address a lot of these things in terms of pay during the budget process. They could not wait until the budget process to address some of these things. They have to put money in place to try to attract applicants for jobs. They could see that Public Services, Public Works, and Public Utilities had suffered the most. Police has had a 12 percent turnover rate and then the Library and Fire. If folks were wondering why they were not putting resources into certain departments related to pay, all you have to do was look at this. If you were a manager and you were looking at this, there were limited resources, he had to get the trash picked up, they have got to put more money into pay or whatnot to make sure that gets done.

City Manager Warren Wood advised this was a snapshot and he would have a more thorough report that would come out that would have more information. He was really excited about creating more career development opportunities, leadership opportunities for folks. Claudia Main and Human Resources, they have a leadership academy. He was always amazed at the people that they churn out of that and verily high-quality folks in the organization that they were fortunate to have and those were the folks they need to be nurturing for leadership opportunities. They were going to continue to work to diversify the organization to make it look like the community that it serves. He and Alderman Wood were talking, and Alderman Wood said if organizations were hiring, they were behind the curve because you have got to be recruiting. You just do not sit back, and people give you their applications anymore, you have to be promoting yourself and putting yourself out there recruiting and selling yourself, that was the name of the game. They were focused on succession planning. They have got a lot of folks, Department Heads and Assistant Department Heads that were really close to retirement. Terry Clark had been with the City since 1980, so they had people that could go anytime they wanted to, but he had a feel when a lot of that was going to happen, so they were still finetuning that. Working on the leadership development within the organization for that next generation of leaders. Working on the career ladders, cross training, teamwork. They cannot be siloed in our departments they were going to have to learn how to be flexible and multi skilled. What they value in the organization was being customer focused, being innovative, being a team player. Those were the folks that could do that and demonstrate that that they were going to focus on and try to develop. He asked Council for any questions.

Alderwoman Patton thought they were doing a really good job of promoting vacancies in the City on social media. She hoped that was helping. She had seen quite a bit of it, and it seems very effective.

City Manager Warren Wood commented he was sincere when he says this, if they knew people that were looking for jobs have them call the Human Resources Department because they had lots of different types of opportunities.

Mayor Guess commented he did not have a question, but this was very informative, both of these reports. They understood that there were disparities but kudos to the entire staff because they were addressing them and like he said, and like other people had said many times, the general public really had not, he did not think, noticed any difference in the services that the City of Hickory provided and continued to provide. That was all because of the City's staff and how hard they work.

City Manager Warren Wood advised the challenge was the wear and tear it puts on the employees because they were working all this overtime and they were getting burned out. They had to find a solution to a lot of this, but that was what they were working on.

Alderman Zagaroli had heard in Morganton they have a Policeman/Fireman combination.

City Manager Warren Wood confirmed that was correct. They have what was called a public safety model. They do have just an individual Police and Fire, but they also have folks that are trained to do both and there was not a whole lot of that, Sunnyvale, California was one that had been doing that for a long time, but Morganton had as well.

Alderman Zagaroli inquired if that was something the City should consider.

City Manager Warren Wood advised they were going to look at everything, shift schedules, being multi-disciplined, and the Fire Department was doing a lot of that with rescue and some other things that they were working on. They were going to look at everything. It was not going to be business as usual and it may take a few years of transition to a new normal, but it could not be business as usual the way local government had been accustomed to doing things. It was a good question.

Alderman Patton requested City Manager Warren Wood send the presentation to Councilmembers.

Alderman Williams asked if they had looked at reorganization at all in terms of, they were still looking at the structure as it is and seeing the gaps, which would go along with some of that.

City Manager Warren Wood advised one of the most recent examples of that was Parks and Recreation had their own maintenance operation. They had merged that into Public Works, which had been a huge improvement in the level of the quality of maintenance. They looked at those sorts of things regularly. Yes. And eliminating positions that were antiquated that they do not need anymore.

Alderman Zagaroli asked for a copy of the information as well.

City Manager Warren Wood confirmed that he would send that to everybody.

Mayor Guess commented it goes without saying that this presentation was very informative, and he was sure they would all benefit from maybe every couple of months hearing an update to this.

City Manager Warren Wood commented there was a lot of work to be done, in a lot of different areas. The City has a great staff, great Department Heads, and great leadership. He did not know where they would be without those folks. He thanked them too.

Councilmembers thanked City Manager Warren Wood.

2. Appointments to Boards and Commissions

**CITIZENS ADVISORY COMMITTEE**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)  
Small Cities Project Area

VACANT

**COMMUNITY APPEARANCE COMMISSION**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)  
At-Large (Outside City but within HRP) (Council Appoints)

VACANT

**COMMUNITY RELATIONS COUNCIL**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Other Minority (Council Appoints)	VACANT
Other Minority (Council Appoints)	VACANT
Other Minority (Council Appoints)	VACANT
Differently Abled and is African American or Other Minority (Council Appoints)	VACANT
Differently Abled (Council Appoints)	Beth Whicker
	(Not Eligible for Reappointment)

**HISTORIC PRESERVATION COMMISSION**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

At-Large (2)(Council Appoints)	Mary Moorer
	(Eligible for Reappointment/Does Not Wish to Serve Again)

**LIBRARY ADVISORY BOARD**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 3 (Seaver Appoints)	VACANT
	(Beth Schauble Resigned 11-10-2021)

**PUBLIC ART COMMISSION**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 4 (D. Williams Appoints)	VACANT
At-Large (Mayor Appoints)	Beth Bowman
	(Not Eligible for Reappointment)
At-Large (Mayor Appoints) (Harold Humphrey Resigned 11-4-2021)	VACANT

Mayor Guess nominated Dana Andreasson as an At-Large Representative on the Public Art Commission.

**RECYCLING ADVISORY BOARD**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 6 (Patton Appoints) (Lona Hedrick Resigned 1-11-2022)	VACANT
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**YOUTH COUNCIL**

(Terms Expiring 6-30; 1-Year Terms) (Appointed by City Council)

Youth Council Applicant Review Committee Recommends the Following Appointments:

Fred T. Foard	VACANT
Homeschool	VACANT

Alderman Seaver moved seconded by Alderwoman Patton approval of the above nomination. The motion carried unanimously.

C. Presentation of Petitions and Requests

XII. Matters Not on Agenda (requires majority vote of Council to consider)

XIII. General Comments by Members of Council, City Manager or City Attorney of a Non-Business Nature

City Manager Warren Wood mentioned it was about one year ago this month that the Fire Department received its Class One Certification on ISO, so that was a huge achievement for their group. The water system played a lot into that too and that was also a team effort.

Alderman Seaver asked if that was something they reevaluate each year.

City Manager Warren Wood advised five years.

Mayor Guess commented it kind of goes along with what had been said tonight and kind of the theme of what had been said tonight. He knew that oftentimes he gets calls, texts, and emails and all kinds of things from the City's citizens and visitors, telling him what a great staff they have and bragging on certain departments and individuals. He knew that other Councilmembers hear those all the time as well. They do not always do a very good job of announcing those things, but there was one that came across his email that he shared with everybody. A citizen contacted him by email and said they had a substantial water break in front of their house on Sunday. They were extremely impressed. The emergency water guys got it shut off and repaired around 11:00 p.m. They had cold weather, nasty water, mud gushing, and pumps running and even missed both NFL games, but they stayed until it was finished. They hear those types of things frequently. He took the opportunity to publicly let those folks know how much they appreciate them, and not just them, but they were appreciated and a lot of times they do not get the recognition for that, but

they certainly want to make sure that when they have an opportunity that they recognize those folks. He thought they took it for granted a lot of times. They just think a waterline breaks and they were going to fix it. As they could see there were a lot to those types of things, and they do take those things for granted from time to time. He appreciated not just them, but all of the City staff and the work that they do, really 24/7. He thanked everyone.

XIV. There being no further business, the meeting adjourned at 8:12 p.m.

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Mayor

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City Clerk